United Nations A/AC.109/2088

General Assembly

Distr.: General
3 June 1997

Original: English

Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Turks and Caicos Islands

Working paper prepared by the Secretariat

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97-14680 (E) 060697

I. General

1. Information on the geographical features of the Turks and Caicos Islands[1] is contained in a previous working paper prepared by the Secretariat (A/AC.109/2015, paras. 1 and 2). The total population of the Territory in 1995 was 15,000. [2]

II. Constitutional and political developments

2. A summary of the constitutional and political developments in the Territory is contained in previous working papers prepared by the Secretariat (A/AC.109/1185, paras. 3, 4 and 7-9, and A/AC.109/2051, paras. 3-5). In September 1996, Governor Martin Bourke finished his term and returned to the United Kingdom of Great Britain and Northern Ireland, thus ending the controversy that had led to a unanimous demand on the part of the ruling and opposition parties of the Territory addressed to the administering Power to recall him (for details, see A/AC.109/2051, para. 3).

III. Economic conditions

A. General

3. Although growth in the gross domestic product slowed to an estimated 4.5 per cent in 1994 and to 2.7 per cent in 1995, the Territory's economy still ranks among the fastest-growing economies in the Caribbean, with the gross domestic product (GDP) increasing at an average of 7.6 per cent over the decade ending in 1995. In 1995, the gross domestic product stood at US$ 96 million, while per capita it increased to $6,415.

4. The performance of the Turks and Caicos economy in 1995 was characterized by continued rapid growth in tourism, a steady rise in offshore financial services business and an increase in fishing activities, combined with lower inflation rates and a slight reduction in the unemployment rate. Growth in the economy was fuelled largely by investment directed to the export of services, and has been distributed unevenly amongst the islands. Providenciales has become the main travel destination, with rapid growth rates over the past five years, while islands like Grand Turk and South Caicos have seen noticeable contractions in their levels of economic activity.

5. The slower growth in the economy in 1995 was due to lower rates of investment in the economy in 1994 and 1995, with the completion of major hotel projects and government infrastructure works. In 1995 and early 1996, however, the Turks and Caicos Islands was able to attract a number of new offshore investments to the islands. These included 3 major resort facilities, 12 condominium projects, an eco-tourism attraction, 2 large supermarkets, an aircraft parts manufacturing facility, a brewing operation, 2 hydroponic gardens and a marina facility. It is expected that these projects should bring an increase in economic activity in 1997.[3]

B. Public finance

6. In addition to attracting offshore investors as a means of stimulating private sector activity, the Government has embarked on an aggressive programme to strengthen financial management in the public sector, improve productivity of the civil service, reduce the rate of growth in government spending, improve the efficiency of State-owned corporations and enhance revenue collection efforts. This, combined with the rise in economic activity, resulted in the Territory achieving an operating surplus in March 1996 of more than 20 per cent of the annual recurrent budget.[3]

7. According to information provided by the administering Power, government revenues during 1994/95 amounted to $32.8 million, and expenditures to $31.1 million, providing government finances with a surplus of $1.7 million. However, because the revenues raised by the Government are paid into the Consolidated Fund, which started 1994/95 with a deficit of $6.8 million, the surplus was applied to the deficit, reducing it to $4.7 million by March 1995.

8. Government revenues during 1996/97 were estimated at $36.5 million, owing to an expected continuing growth of the tourism and offshore finances industries, as well as the implementation of tighter financial control of government spending.

9. The Government's capital budget estimates form the basis of the public sector investment programme, which is financed through the Development Fund. The Fund was established for the purpose of receiving such monies as may be appropriated annually from the Consolidated Fund, together with other monies received from external donors.

10. External donors include the Government of the United Kingdom, for which funds are administered through the

Dependent Territories Regional Secretariat, the Caribbean Development Bank, the European Union and the United Nations Development Programme (UNDP).

11. During 1995/96, local contributions of $3.4 million were made to the Development Fund, consisting of a contribution of $2.5 million for capital development projects; $650,000 for tourism development projects; and $250,000 for disaster recovery projects. In 1996/97, budget contributions to the Development Fund amounting to $ 400,000 were provided for capital and disaster recovery projects.

C. Public service

12. According to information provided by the administering Power, the Government continued its policy of providing job opportunities as public sector spending grew in line with the economy. Particular areas of its attention were law and order, education and health. In 1994/95, there was total of 1,139 posts in the public service, which increased, by 5 per cent to 1,199 in 1996/97.[4]

D. Offshore financial services

13. General information on the Territory's offshore financial services industry is contained in the previous working paper prepared by the Secretariat (A/AC.109/2051, paras. 12 and 13).

14. The offshore business sector had a total of 14,401 companies registered as of 31 December 1995, with some 11,392 companies doing business outside the Territory. The number of new companies registering in 1995 totalled 2,858, up 9.8 per cent over the previous year. Government earnings from company registrations exceeded $3 million in 1995.[5]

15. Among the attractions for offshore companies are the use of the United States dollar as the official currency, the absence of direct taxation, a growing financial infrastructure, fast and straightforward company registration procedures, extensive financial freedom and confidentiality.

E. Agriculture and fisheries

16. General information on agriculture in the Territory is contained in the previous working paper prepared by the Secretariat (A/AC.109/2051, para. 15).

17. There is little agriculture in the Turks and Caicos Islands although some corn and other vegetables are grown. A rice mill, processing rice from Belize, was opened at the end of 1994.

18. Fishing is a traditional activity and the only productive sector. Conch and lobster are the main catches and there is a conch farm. In 1994/95, economic activity in the sector benefited from high international prices for fish products. The lobster catch dropped by 8.6 per cent to 376,000 kilogrammes, but the conch catch increased by 29.3 per cent to 953,000 kilogrammes. Gross export earnings from lobster and conch rose by 14.3 per cent to $3.4 million.[6]

F. Tourism

19. General information on tourism in the Territory is contained in the previous working paper prepared by the Secretariat (A/AC.109/2051, paras. 18-21).

20. In 1995, the Territory continued to experience strong growth in travel to the islands with the total number of visitors at 78,956, 10 per cent above the level recorded in 1994. Tourism from North America (representing almost 70 per cent of visitors) remained strong, and promotional activities in Europe resulted in rapid growth from that market. In the first quarter of 1996 visitor arrivals were up by 19 per cent, fuelled in large part by the growing diving market.[7]

21. The Government announced plans to commence construction on a new airport terminal on Providenciales in late 1996, on a joint venture basis with a major private-sector firm.[7]

IV. Social conditions

22. Information on social conditions in the Territory is contained in previous working papers prepared by the Secretariat (see A/AC.109/1185, paras. 57-72, and A/AC.109/2015, paras. 28-32).

A. Education

23. According to information provided by the administering Power, the Government of the Territory continues to work towards improving the education sector, with concentration on staff training and a successful drug awareness programme sponsored by the United Nations International Drug Control Programme. Changing enrolment

patterns, in particular the growth in the number of students on Providenciales, remains a key concern of the education sector. Following the expansion of Clement Howell High School and Ianthe Pratt and Oseta Jolly Primary Schools on Providenciales, a study was commissioned to identify rehabilitation and expansion requirements at other schools in the islands. The territorial Government intends to secure donor finance to fund those infrastructure improvements.

24. Total student enrolment at the Community College in 1995/96 was up by 40 per cent figures and the College continues to introduce additional subjects to its programme.

B. Health

25. According to information provided by the administering Power, the organizational capacity of the Territory's health services has been strengthened. Arrangements were made with the Community College to run a locally based health science course from September 1996, a course previously available only in Barbados and Jamaica. The 1996/97 budget provides for additional medical staff at the Myrtle Rigby health complex on Providenciales and sufficient resources fully to open and operate the facility, which will have 10 beds, a delivery room and a operating theatre.

V. Participation in international organizations/arrangements

26. Information on the Territory's participation in international organizations/arrangements is contained in previous working papers prepared by the Secretariat (A/AC.109/2015, paras. 33-35, and A/AC.109/2051, para. 25).

27. UNDP assistance under the fifth cycle country programme (1992-1996) to the Caribbean dependent Territories which includes the Turks and Caicos Islands, had as its principal focus the provision of support for human resource development, capacity-building, institutional strengthening and environment and natural resources management. With this in view, the proposed strategy of UNDP at the start of the current sixth cycle has been to continue its emphasis on providing support in those areas, building upon the outputs of its previous interventions.

28. In the Turks and Caicos Islands, technical cooperation has been largely aimed at direct interventions with a view to laying the basis for meaningful economic development. In this connection, assistance was granted for the establishment of an investment agency, the creation of a national insurance scheme, and to improve customs administration and tertiary level education. In the current cycle, support is envisaged in two broad areas: preparation of an integrated development plan and assistance for the agricultural sector.

VI. Future status of the Territory

29. A summary of the position of the administering Power towards its dependent Territories is contained in previous working papers prepared by the Secretariat (see A/AC.109/1137, para. 17, A/AC.109/1139, para. 17, and A/AC.109/1180, paras. 30-36). For statements during the fifty-first session of the General Assembly, see document A/AC.109/2071, paragraph 36.

30. On 27 March 1997, the General Assembly adopted resolution 51/224 B, a consolidated resolution on 12 Non-Self-Governing Territories, section X of which is specifically devoted to the Turks and Caicos Islands.

Notes

[1] The information contained in the present paper has been derived from published reports and from information transmitted to the Secretary-General by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 *e* of the Charter of the United Nations on 7 March 1997. The facts and figures presented in the working paper are the latest information available.

[2] *The Caribbean Handbook 1997/98* (British Virgin Islands), 1997, pp. 230 and 232.

[3] *1997 Caribbean Basin Commercial Profile*, p. 348.

[4] Statement on the 1996/97 budget by Mr. Derek H. Taylor, Chief Minister of Finance, on 29 July 1996 (a mimeographic copy of which was provided to the Secretariat by the Permanent Mission of the United Kingdom to the United Nations).

[5] *1997 Caribbean Basin Commercial Profile*, p. 349.

[6] *The Caribbean Handbook 1997/98* (British Virgin Islands), 1997, p. 233; and *1997 Caribbean Basin Commercial Profile*, p. 349.

[7] *1997 Caribbean Basin Commercial Profile*, p. 350.